To Whom It Concern,

Greetings! We write to you today to announce that after nearly fifteen years of negotiations between the State of Montana and the U. S. Forest Service, a settlement has been reached between both parties regarding the reserved water rights for the U.S. Forest Service in Montana. These negotiations, authorized by the Montana Legislature, are an important part of Montana's statewide water adjudication.

Thanks in large part to cooperation and teamwork by both parties over the last year, the parties have come to a settlement that we believe will have positive effects for both Montana and the U.S. Forest Service. It is our hope that this settlement will meet with public support so we can take it to the 2007 Montana Legislature for its approval.

As part of our responsibility to the public, we are holding numerous public meetings and informational open houses in varied locations across the state so that interested parties may provide substantive comments regarding the draft negotiated settlement. In addition, we will be utilizing all available means to inform and engage Montanans about this agreement. We believe this effort will help to answer many of the questions that groups, organizations and the public may have regarding this negotiated settlement.

Enclosed with this letter is additional information related to the settlement and public meetings that we hope you will find useful. In addition, we have developed a comprehensive website which we encourage you to visit for even more information, including the draft compact and associated legislation in its entirety (www.dnrc.mt.gov).

We thank you for taking the time to read this information. Should you have additional questions, please don't hesitate to contact either party directly at the following locations: RWRCC, PO Box 201601, Helena, MT 59620-1601; email address: www.dnrrwrcc@mt.gov; telephone (406) 444-6841; and the U.S. Forest Service at: USDA Forest Service Northern Region, P.O. Box 7669, Missoula, MT 59807, telephone (406) 329-3311.

Sincerely,

Kathleen A. McAllister Deputy Regional Forest Supervisor U.S. Forest Service – Region 1 Federal Negotiating Team Chair Lorents Grosfield

Member, Reserved Water Rights

Compact Commission

Montana Negotiating Team Chair